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# ***JPRS Report***

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## **Near East & South Asia**

**BANGLADESH**

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# Near East & South Asia

## BANGLADESH

JPRS-NEA-92-090

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16 July 1992

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## International Affairs

### Editorial Welcomes U.S. Ambassador's Stand

92AS1148A Dhaka THE NEW NATION in English  
13 May 92 p 5

[Text] The U.S. Ambassador to Bangladesh Mr. William B. Milam in his rather much-awaited meeting last week with the press, in the aftermath of a unipolar world and our Prime Minister's visit to Washington, underlined what formed the rock-bed of Dhaka-Washington ties. He put it succinctly that his country's relations with Bangladesh were governed by three principles: strengthening democracy, accelerating economic development and ensuring Dhaka's contribution to peace in this region.

Bangladesh on her part evidently sees a high stake in consolidating democracy on stronger institutional foundations, in alleviating poverty that practically engulfs 80-85 per cent of our population and in having its morale high to withstand any negative extraneous pressure. To cite just one instance, the international community's positive response in securing a Burmese commitment to take back the Rohingya Muslim refugees has raised a prospect for easing a burden on Bangladesh. Left to herself she can contribute significantly by sharing her experience with constructive development pursuits in the region.

What Bangladesh is looking for is certainly not doles or spoon-feeding. The spirit of free will and free enterprise is of the essence in *laissez faire*, meaning thereby that we earnestly want to be self-reliant in regard to meeting our basic needs. Political and economic freedoms go hand in hand and, our choices are made: democracy in the political realism and free market operation in the economic arena. We cannot have dual standards, one inside the country, the other abroad. The idea is we would like the world to appreciate that our relations with the international community would be based on principles of democracy, equitability and dignity.

The U.S. Ambassador deserves our thanks for having reiterated the U.S. government's dedication to the high principles of democracy, human rights and peace in contrast to what our detractors may have earlier viewed as a charitable disposition.

It is in this light that we would like the U.S. investments to be programmatic as if a durable partnership is being forged. Most of the 3 billion plus U.S. government sector aid that has flowed into Bangladesh since liberation had to do with programmes like family planning, rural electrification private sector fertiliser distribution and small loans to trades, etc. Now we have to break a new ground with the private sector in the U.S. so that entrepreneurs have more trade and more investment in Bangladesh.

One gap in the U.S. aid flow has been the lack of capital machinery and equipment—tractors, dredgers, bulldozers, cranes, farming implements, and safety equipment. We have had to buy them at high costs from a

third country. Equipment did of course arrive from time to time for implementing the rural electrification programme. Even so there is a scope for private investment in machinery plants. The list can grow. We know there has been some U.S. private sector investment in the EPZ [Export Processing Zone].

The U.S. Ambassador William B. Milam said he knew some American entrepreneurs to be interested in investing in Bangladesh, but hastened to add that their actual participation depended on steadying the power supply, uncluttering the sanction formalities and impressing them with political stability and labour peace. In attracting investments we are pitted against some formidable rivals in the region. That is more the reason why we must improve the ground situation by curbing labour unrest and raising our productivity level. Unlike the opposition, the party in power has the responsibility of getting things done, no matter how much difficult the situation may be in the country. So the government will be better advised to spend more time in creating proper conditions for investment and economic upliftment than making policy statement.

### Joint Bangladesh-Malaysian Commission Formed

92AS1147A Dhaka THE BANGLADESH OBSERVER  
in English 12 May 92 pp 1, 10

[Text] Kuala Lumpur, May 11.—Bangladesh and Malaysia have decided to form a joint commission to review bilateral relations in different fields between the two countries, reports BSS.

This decision was taken at a meeting between Foreign Minister Mustafizur Rahman and his Malaysian counterpart Datuk Abdullah Ahmad Dadawi here today.

Mr. Rahman reached here early this morning on a two-day official visit to Malaysia.

The joint commission would provide the opportunity to review bilateral relations particularly in the fields of trade, investment and joint ventures.

The two Foreign Ministers discussed the whole gamut of bilateral relations. Ways and means for expansion of bilateral ties also came up for discussion during the two-hour long meeting.

An official source said emphasis was laid on collaboration between the two countries medium-tech labour industries like cement, palm oil, telephone sets and tubes, and electronics.

### Minister Praises PRC Assistance to Army

92AS1151A Dhaka THE BANGLADESH OBSERVER  
in English 7 May 92 p 10

[Text] Foreign Minister A.S.M. Mustafizur Rahman on Wednesday said that the heavy maintenance workshop constructed with Chinese assistance would have a great

potential of making the Bangladesh Army self-reliant in repair and maintenance of its heavy equipment, reports BSS.

The Foreign Minister was speaking on the occasion of the inauguration of the newly constructed heavy maintenance workshop of the army at Rajendrapur.

He further said that Bangladesh had a strong bond of friendship and cooperation with the People's Republic of China [PRC] based on mutual understanding. Through our mutual collaboration in different fields of our national development it was growing further, he added.

The Foreign Minister recalled with deep respect the role of Shaheed President Ziaur Rahman who had laid the foundation of friendship and cooperation between our two countries in 1977 and observed that since then China had been our trusted friend, who had been playing a very important role in the development of our country.

In that perspective, defence cooperation with the People's Republic of China was of unique importance to us, he said.

The Foreign Minister mentioned some other projects of national importance completed with the Chinese assistance like the friendship bridge on the river Buriganga, Shambhuganj bridge on the Brahmaputra and the Palash fertilizer factory at Ghorashal and thanked the People's Republic of China for extending their helping hand in our national development programme. In the matter of Development of our armed forces also, the Foreign Minister observed, we found our trusted friend beside us. He further said that the completion of the heavy maintenance workshop was an expression of the friendship and cooperation that exists between our two armies as well as between our two countries.

Earlier, Chief of Army Staff Lt. General Muhammad Noor Uddin Khan in his speech said that the heavy maintenance workshop stood as a mile stone to the growing friendship and cooperation between the People's Liberation Army and the Bangladesh Army.

He said that although heavy workshop facilities for repair and maintenance of army's heavy equipment was a long felt necessity, it could not have been met for economic constraint and lack of technical knowhow earlier. He expressed sincere thanks and deep appreciation to the People's Liberation Army [PLA] of China for helping us establish this heavy workshop complex.

The leader of the visiting Chinese PLA team Major General Chen Benyan and the Chinese ambassador to Bangladesh Chen Songlu also spoke on the occasion.

The ceremony, was attended among others, by Jute Minister Brigadier A.S.M. Hannan Shah (Rtd), Communication Minister Colonel Oli Ahmed (Rtd) the President of the China National Chemical Construction Corporation and senior military officers including Principal Staff Officers and Formation Commanders.

### **Cambodian National Council Recognized**

92AS1155A Dhaka THE BANGLADESH OBSERVER  
in English 5 May 92 p 1

[Text] Bangladesh on Monday accorded recognition to the Supreme National Council of Cambodia, headed by Prince Norodom Sihanouk, a Foreign Office Press release said, reports BSS.

It was decided to establish formal diplomatic relations with Cambodia and accredit one of Bangladesh's ambassadors from a neighbouring country to Cambodia as ambassador extraordinary and plenipotentiary and permanent representative to the Supreme National Council of Cambodia, the release said.

### **Finance Minister Attends ADB Meeting**

#### **Remarks at Meeting**

92AS1154A Dhaka THE NEW NATION in English  
10 May 92 p 9

[Excerpt of the statement of Mr. M. Saifur Rahman, finance minister and governor from Bangladesh in the 25th annual meeting of the Asian Development Bank (ADB) in Hong Kong on May 5]

[Text] Mr. Chairman, I wish now to turn to the economy of my country. The democratically elected Government of Prime Minister Begum Khaleda Zia is committed to the improvement of the lot of the common people. For us 1991-92 has been a year of new initiatives towards consolidation of the gains of democracy and promotion of a new vision for our future socio-political and economic development. The transition from an authoritarian state to a democratic policy has its own inherent problems of adjustment to new standards, norms and values. This difficulty was exacerbated by a severe cyclone in April 1991 and flash floods during the latter half of the year. In addition, many of the problems arising from the Gulf crisis and its consequent impact on the world economy continued to have their effect on our economy. However, in conformity with the thrust of our new development perspective, the overall growth set for the economy of Bangladesh is projected at over 5 percent for the year 1992-93. In order to maintain the requisite growth rates necessary for meeting the formidable economic and social challenges, we will need progressive increase in the rates of domestic savings and investment. In pursuit of this objective and to ensure sustainable economic development, the Government is determined to continue its efforts at alleviation of poverty, development of human resources with particular emphasis on women and the protection of the environment. The Government has accorded high priority to agriculture, the largest contributor to the GDP [gross domestic product], and rural development, education and health and family planning sectors. Upon the sustained progress in these vital sectors depends our eventual economic emancipation.

Mr. Chairman, the Government aims at revitalizing the economy through a number of reform measures. The major thrust of these measures is to combat corruption and establish transparency and accountability at all levels of Government; progressively improve public resources management; restore discipline in the financial sector along with improving the loan recovery position; create competition in the economy through sustained deregulation and liberalization; eliminate rent seeking activities by a privileged few; enhance operational efficiency of the public sector enterprises in order to make them financially viable; and make procedural improvements in the areas of public investment and utilization of foreign aid. More specifically, we have adopted a program which seeks short-term macro-economic stabilization through demand management. Formidable as the tasks are, the Government has already embarked upon the implementation of a comprehensive reform process.

Mr. Chairman, a cornerstone of the Government's economic policy is to promote the private sector. In pursuit of this objective a New Industrial Policy was announced in 1991 which, inter alia, included major steps of deregulation and liberalization for the removal of the previous restrictive practices. This policy is supported by other complementary policies.

Mr. Chairman, it gives me great pleasure to mention that the Asian Development Bank has been strongly supporting the Government's policy reform and development efforts. Also, the cooperation between Bangladesh and the ADB has been excellent. ADB's lending totalled US\$420 million in 1991.

The Bank has been increasingly providing direct assistance to private sector. To date, however, such assistance to Bangladesh is insignificant. To raise private sector investment to a significant level, we suggest, as we did in the previous year, the floor limit be reduced from \$2 million to \$500,000 and the equity participation of the Bank be raised to 50 percent. Such steps, we reckon, will encourage our private sector entrepreneurs to seek increased Bank assistance. In this connection, I am happy to note that the Bank's regional offices, including Bangladesh Resident Office, are now being strengthened with private sector expertise. We are pleased to mention that the Bank's Resident Office in Bangladesh is doing an excellent job in coordinating and following up on the Bank's projects and program in our country.

We are confident, however, that with its rich and varied experience of 25 years and tremendous expertise at its command, the Bank would be fully geared to fulfill its assigned role under this inconceivably changed world situation.

May I, once again, thank the ADB President, Vice Presidents and the Staff of the Bank for the excellent job they have done to make this meeting a success.

### Dhaka Press Conference

92AS1154B Dhaka THE BANGLADESH OBSERVER  
in English 8 May 92 pp 1, 10

[Text] Finance Minister M. Saifur Rahman Thursday said Asian Development Bank (ADB) would provide additional support in the capital market development of Bangladesh, reports BSS.

The Finance Minister said this on his return home from Hong Kong, after attending the 25th meeting of the Board of Governors' of ADB.

Mr. Saifur Rahman who is also the Governor of ADB from Bangladesh, said the share of Bangladesh in the Asian Development Fund (ADF), would be retained.

He said the members of ADB underscored the need for increasing the size of ADF. He said the President of the Bank, Kimimasa Tarumizu expressed his concern over the present size of the ADF and called upon the newly industrialised countries (NICS) of Asia to increase their contribution to the ADF. The ADB President also emphasised the need for increasing ordinary capital resource of the bank, he added.

The Finance Minister said the ADB President lauded the success of the Bangladesh Government under the leadership of Prime Minister Begum Khaleda Zia in managing macro economy, mobilising domestic resources, containing inflation and controlling unproductive expenditure.

Mr. Saifur Rahman said the ADB President was immensely impressed by the success of the Government within a period of only one year in mobilising domestic resource to the extent of around 24 percent in the Annual Development Programme (ADP). The first Government of BNP [Bangladesh Nationalist Party] in 1981 could contribute around 33 percent to the development budget from domestic resources which had been reduced to nil during the nine years of the autocratic rule of Ershad, the Minister said.

The ADB President also lauded the programme of rehabilitation of 9000 primary schools for which the Government had already earmarked taka 100 crore. Mr. Kimimasa appreciated the government's programmes in poverty alleviation and social sectors too, he said.

The Finance Minister said the ADB President has accepted his invitation to visit Bangladesh. It will take place at a mutually convenient time. The ADB Vice-President William R. Thomson will visit Bangladesh soon, he said.

## Regional Affairs

## Paper Reports on Zia Visit to India

## Talks With Rao

92AS1133A Dhaka THE BANGLADESH OBSERVER  
in English 27 May 92 p 1

[Quotation marks as published]

[Text] New Delhi, 26 May—Positive headway was made towards resolving long-standing bilateral issues between Bangladesh and India at official talks which began at the Indian capital today, cables UNB Special Correspondent.

The talks got underway in a "warm and cordial atmosphere," Foreign Secretary Reaz Rahman said briefing newsmen after the first round of talks which lasted more than half an hour.

Prime Minister Begum Khaleda Zia led the Bangladesh delegation at the talks held at the South Block office of Prime Minister Narasimha Rao, who headed the Indian side.

Rahman said a positive headway was made in breaking the ice to resolve outstanding issues which, for years, stood in the way of further strengthening bilateral relations between the two countries.

The formal talks between the two sides were preceeded by an hour-long informal meeting between Begum Zia and the Indian Prime Minister.

"We will not let down Bangladesh, I assure you," the Indian Prime Minister was quoted to have told Begum Zia during the informal meeting this afternoon.

BSS adds: Indian Prime Minister Narasimha Rao today called for finding out a comprehensive and permanent solution to the Ganges water sharing problem which would be satisfactory to both sides, reports BSS.

The assurance came when Prime Minister Begum Khaleda Zia and the Indian Prime Minister held an informal meeting at the south block.

The Indian Prime Minister also supported a suggestion of Begum Khaleda Zia to make a new timeframe for solving the water sharing problem.

Briefing the newsmen who accompanied Prime Minister Begum Khaleda Zia, Foreign Secretary R. Rahman said both leaders exchanged views in an atmosphere of cordiality.

The Indian Prime Minister assured Begum Khaleda Zia during the meeting that some interim arrangement on the sharing of water would be made to ensure that the people of Bangladesh were not put to hardship.

Mr. Rao said that he would ask the Indian Water Minister to work out arrangements so that the needs of both countries were met.

The Indian Prime Minister observed that the democratic government in both countries provided "a better chance to solve the bilateral problems."

Turning to the Chakma issue, the Indian Prime Minister said "we do not want to keep a single Chakma on the Indian soil and there should be no doubt about the return of Chakma refugees to Bangladesh." He said India stood committed to solving the Chakma issue.

Mr. Rao said the resolution of Tin Bigha issue, a long standing irritant would lead to the creation of goodwill between the two countries and open up new avenues for mutual cooperation.

Referring to trade imbalance between the two countries, Mr. Narashimha Rao assured the Bangladesh Prime Minister that India looked forward to unrestricted import of Bangladeshi goods on "non reciprocal basis" to overcome the existing trade imbalance in favour of India.

The Indian Prime Minister said despite ups and downs we are satisfied with relations between our two countries. "Mr. Rao said "I can assure you I shall never let down Bangladesh."

Mr. Rao said the two countries should together work for speeding the pace of development of their relationship. He suggested that the frequent visit at all levels between the neighbours would be helpful in creating goodwill.

The Indian Prime Minister proposed a new format for maintaining contact among the neighbours and said the meetings should take place not on any particular occasion and necessarily in the capital.

It should be possible to see each other on any occasion and talk.

Referring to changes taking place in the world, he said it was necessary to respond to the changes in the world and make our own contribution.

Mr. Rao lauded the contribution of former Bangladesh President Ziaur Rahman in floating the idea of SAARC [South Asian Association for Regional Cooperation]. He said under the able leadership of Begum Khaleda Zia SAARC after the forthcoming Dhaka summit would further contribute to the cause of South Asian nations.

Prime Minister Begum Khaleda Zia thanked the Indian Prime Minister for resolving the Tin Bigha problem and hoped that other issues would also be solved similarly.

She said during the nine years of autocratic rule in Bangladesh, there had been no discussion between the two countries about water sharing of the Ganges.

Begum Khaleda Zia said the method of solving water sharing should be worked out at the appropriate level.

The Bangladesh Prime Minister said with the ushering of democracy in Bangladesh, the expectations of the people were very high.

She welcomed Mr. Rao's proposal of frequent visits between the two neighbours for strengthening relationship. Bangladesh wanted to maintain good relations with all neighbouring countries, she said.

She extended invitation to the Indian Prime Minister to visit Bangladesh. Mr. Rao said he might quickly respond to her invitation any time.

### Banquet Speech

92AS1133B Dhaka THE BANGLADESH OBSERVER  
in English 27 May 92 p 1

[Text] New Delhi, 26 May—Prime Minister Begum Khaleda Zia today called for forging a "framework of relations" between Bangladesh and India in the new context to pave the way for solving all outstanding bilateral issues, reports UNB.

Speaking at a banquet hosted in her honour by Prime Minister P.V. Narasimha Rao in the Indian capital this evening, Begum Zia said the essence of good neighbourliness is to address the bilateral issues with objectivity and sincerity.

"It is only natural for us to have some issues between us. Two neighbours, however friendly, are bound to have some differences," she said.

Sharing of waters of common rivers, including the Ganges, delay in transfer of the Tinbigha corridor to Bangladesh, tribal insurgency in Chittagong Hill Tracts from across the border, determination of the ownership of South Talpatty island are among the major long-standing problems between the two countries.

Outlining the purpose of her visit for consolidating and expanding bilateral ties, she hoped the two neighbours, having great potentials for bridging gap, would be able to thrash things once again as the Indian Premier had already broken new grounds on bilateral relation, setting the motion forward on all outstanding issues.

Begum Zia hoped the relations between the two countries, linked by bonds rooted in history would be shaped by love for fellowmen, tolerance and respect for human dignity—the ideals brought by saints and sages in this part of the world.

Focusing on the changing global scenario now posing new challenges, Begum Zia called for pooling joint efforts in breaking out of the poverty trap solving "daal-bhat" problem facing teaming millions of South Asia.

"Our rich heritage, our own ethos and varied development can provide the answers to our major socioeconomic problems," she said, adding SAARC [South Asian Association for Regional Cooperation] can be an ideal framework in this regard.

The Bangladesh leader was all-praise for South Asia, the cradle of the most ancient civilisation, which had preached love and restraint to the world, and hoped SAARC be transformed from a forum for cooperation into a platform of launching "a new age of South Asian consciousness."

"South Asia must not only learn from the world, but must lead the way," Begum Zia asserted.

Bangladesh will chair next summit of the seven-member South Asian Association for Regional Cooperation in Dhaka. Begum Zia invited the Indian Premier to Dhaka.

She also referred to the identical goals of both democracies—providing better quality of life and adoption of free market economy and the principles of private initiatives.

Bangladesh views Indian progress in these respects with satisfaction, she said.

### Agreements Signed

92AS1133C Dhaka THE BANGLADESH OBSERVER  
in English 28 May 92 pp 1, 10

[Text] New Delhi, 27 May—Bangladesh and India signed here today two agreements on the exchange of land for the construction of missions by the two countries in each other's capital and on cultural and academic exchange programmes for the years 1993 through 1995, reports BSS.

Under the agreement for the exchange of land, Dhaka will provide four acres in its Baridhara diplomatic enclave for the construction of permanent Indian chancery while New Delhi will provide Dhaka with three acres at its diplomatic enclave for constructing a permanent chancery in the Indian capital.

Foreign Secretary Reaz Rahman and Indian Foreign Secretary J.N. Dixit signed the agreement on behalf [of] their respective governments.

Under the agreement on the cultural and academic exchange programme, in the field of education, art and culture, health and tourism and sports, India will provide 110 scholarships each year to Bangladesh while Bangladesh will provide 20 scholarships each year to India.

Besides, there will be exchange of visits by scholars, writers, cultural troupes and media men.

Bangladesh High Commissioner to India Faruq Sobhan and Indian Cultural Affairs Secretary Bhaskar Ghosh signed the agreement on behalf of their respective governments.

Bangladesh and India also exchanged instrument of ratification of the convention between Bangladesh and India for the avoidance of double taxation.

An agreement to this effect was signed here last year between the Foreign Ministers of the two countries.

Additional Foreign Secretary of Bangladesh A.H. Mahmood Ali and Indian Additional Secretary, Ministry of Finance, signed the exchange notes.

Prime Minister Begum Khaleda Zia and Prime Minister Narasimha Rao and members of delegation of both the countries were present during the signing ceremony.

### Delhi Press Conference

92AS1133D Dhaka THE BANGLADESH OBSERVER  
in English 28 May 92 pp 1, 10

[Text] New Delhi, 27 May—Prime Minister Begum Khaleda Zia said here today that demonstration of sincerity and willingness of both Bangladesh and India was needed to find solutions to bilateral problems of the two countries, reports BSS.

Begum Zia was making her opening statement at a meeting with senior editors held at the yellow drawing room of Rastrapati Bhavan.

She said, "it is through concrete action, much more than words, that we can develop this feeling of mutual trust."

The Prime Minister sought cooperation of the media in helping the two neighbourly countries to foster harmonious relations needed to tackle "issues in sensitive areas."

The Prime Minister said that the media had a crucial role to play. She said, "we the politicians need your cooperation, support and understanding in our efforts to foster a more harmonious and more understanding relationships between our two countries."

Begum Zia said after the restoration of democracy in Bangladesh, there was rising expectations both in India and Bangladesh that both nations could devote more attention to the fulfillment of people's aspirations and start a new chapter in the relations and expand cooperation to new areas.

She hoped that the interaction between the two peoples at various levels in cultural, social and economic fields as close neighbours should also be reflected in the higher state level as well as people-to-people relations.

Begum Zia said momentous changes were taking place throughout the world, adding an atmosphere had also been created to work together for solving the 'Daal-Bhat' problem and alleviation of poverty of the South Asian people under the SAARC [South Asian Association for Regional Cooperation] framework.

She said in the South Asian region most of the nations had initiated wide-ranging economic reforms geared to encouraging the private sector and promoting foreign investment.

Begum Zia underlined the need to create a healthy regional environment to derive the maximum benefit from these reforms. She said peace and stability in South Asia were essential pre-requisites for the success of the liberalisation programmes being pursued by each of the nations.

She said it was equally important that the policy of economic reforms and liberalisation should foster an improved climate for the bilateral economic cooperation between Bangladesh and India.

Replying to a question during the meeting with the editors, the Prime Minister said yesterday's talks between the two sides were mainly related to two problems of water sharing and the Chakma refugees.

The Prime Minister said, "We also discussed the trade relations between the two countries and Joint Economic Commission meeting, to be held in October.

Regarding the local newspaper reports on talks of common rivers by both the sides yesterday, the Prime Minister said during the talks only the sharing of the Ganges water was discussed.

On the question of Burmese refugee problems, the Prime Minister said Bangladesh and Burma had signed an agreement on the repatriation of Myanmar refugees to their countries. She expressed the hope that the Myanmar authorities would keep their commitment.

Regarding her government programmes, the Prime Minister said poverty alleviation and economic development were the main objectives of her government. She said, "we want to attain self reliance by initiating politics of production."

Asked whether Bangladesh wanted to include Nepal in the issue of the sharing of water of the common rivers, the Prime Minister said "to begin with we will like to keep this issue between the two countries."

She said Nepal might be included at a later stage, if necessary.

About SAARC, the Prime Minister said the objectives of SAARC were to improve the living condition of the people in South Asia through better cooperation and understanding.

She described her visit to India as fruitful and said she had come here for finding solution to "whatever problems we have."

Noted Indian journalists including Nikhil Chakraborty, S. Nihat Singh, Inder Malhotra, Kuldeep Nayar, Pran Chopra, V.G. Vergese, Subhas Bhattacharya, Prem Bhatia and Arun Sen attended.



## Internal Affairs

### Papers Report on Chittagong Hills Problems

#### Problems of Neglect

92AS1149A Dhaka THE BANGLADESH OBSERVER  
in English 17 May 92 p 10

[Article by Azizul Huq: "Neglect of Past Regimes Caused CHT Problems"]

[Text] Long neglect of the past regimes, non-rehabilitation of those who had been affected by the implementation of Hydro-Electric Project at Kaptai, economic discrepancy gave rise to dissatisfaction among the tribals of the Chittagong Hill Tracts [CHT].

Major tribes of three CHT districts—Khagrachari, Bandarban and Rangamati now have a tendency to live together as they felt insecure due to in-flights and differences of opinion in politics among them.

It may be mentioned here that CHT has an area of 5093 square miles or one tenth of the size of Bangladesh. The tribals living there are only 0.45 per cent of the total population of the country.

It has its borders with Indian state of Tripura and Mizoram in the west and north and Burma in the east and south and district of Chittagong in the west. Of the total population of 7.9 lakh as per census of 1981, the tribals constitute 60.62 per cent and the rest (39.30 per cent) are settlers who came to the Hill Tracts in 17th century and afterwards.

Among the tribal population, Chakma are the largest with 30.57 per cent followed by Marmas 16.60 per cent, while Tripura 7.39 per cent, Murang 2.17 per cent and Thanchangya 2.04 per cent. Besides, there are also small and scattered settlements of other tribes like Bowm, Pankhoo, Khumi, Moro, Lushai and Rieng.

The original tribe of the area is Kubi and they are now negligible in number. The larger tribes at present are also settlers. The traditional divisions comprise Bowmang, Chakma and Mong under the three chiefs (Rajas).

The area is hilly and covered with thick vegetation comprising six valleys. The rivers flowing in the areas Chengi, Myni and Kassalong in the north and Rankhyang, Sanghu and Matamuhuru in the south. The centre is covered by 350 square miles Karnaphuli reservoir popularly known as Kaptai Lake. Also there is 1400 square miles of reserve forest.

Before '60, the percentage of literacy in Chittagong Hill Tracts was very insignificant. But later the ratio of literacy increased considerably. The Chakmas are well advanced and the percentage of literacy among them is 56, more than the people of the plain land.

Insurgency among the ethnic groups of people is now a common feature in the world. It is generally prevalent

among the people living in peripheral regions which enable them to get support from across the borders.

"Insurgency in Chittagong Hill Tracts districts is not, therefore, an isolated event. It is part of insurgency prevalent among tribes of Mongolian origin in South East Asia, says an expert in tribal affairs.

During the British occupation of the region, it was administered as a regulated district in pursuance of a Section of Chittagong Hill Tracts Regulation 1900. This regulation did not provide any political right to the tribals though it banned settlement of outsiders in the area and also ensured preservation of social, economic and cultural rights of the tribals.

The Hill Tracts manual was amended to some extent during Pakistan days which affected the status of the region as an excluded area and opportunity was created for settlement of outsiders there.

The settlement of Bengalees in the area started before Mughal period. It gained momentum after the emergence of Pakistan resulting in the conflict between the tribal and non-tribals for determining the ownerships of the land.

Dissatisfaction among the Chakma people mounted after the installation of Kaptai Hydro-electric Project in 1962. This project caused inundation of 54,000 acres of cultivable lands mostly belonging to Chakma tribes and that also rendered one lakh people landless.

The commotions, resentments and dissatisfactions continued to grow following failure of earlier governments to rehabilitate affected persons. The erstwhile Pakistan Government disbursed only Rupees one crore and ninety lakh against Rupees 28 crore which was agreed for their rehabilitation. The tribals were not treated well immediately after the emergence of Bangladesh, rather, the money lenders exploited them.

This prompted later M.N. Larma and his brother Mr. J.B. Larma to form Rangamati Communist Party which was followed by the formation Parbatta Chattagram Janosanghati Samity (PCJSS) and later its armed wing the Shanti Bahini.

Fighting among two factions of Shanti Bahini led the death of M.N. Larma in 1982 and enmasse surrender of Priti group to the security forces. Priti himself stayed back in India.

Shanti Bahini adopted the techniques of guerilla warfare, hit and run against the security forces and coercion and intimidation to the tribal people for their support.

The previous Governments, in 1970s directed its efforts to solve the problems of the Hill Tracts area. But its programme to rehabilitate some of the landless people from the plain land in the hill tracts areas further deteriorated the situation. The tribals thought and feared that the programme was designed to reduce them to a minority status.

### Government Efforts Told

92AS1149B Dhaka THE BANGLADESH OBSERVER  
in English 18 May 92 p 10

[Article by Azizul Huq: "Tk 402 cr Spent for CHT Development"]

[Text] The insurgency of Shantibahini reached its peak when one lakh landless Bangalees different parts of the country were rehabilitated in Chittagong Hill Tracts [CHT] districts in 1979. This step was taken with a view to diversifying the economy to reduce pressure on the meagre agricultural land.

The government in its bid to change the lots of the tribal people had launched massive development programmes in the hill tracts areas identifying the problems of the tribals as a national problem. The Chittagong Hill Tracts Development Board (CHTDB) was set up in 1976 to implement the specially designed multi-sectoral development programme for the area alongside the efforts to contain the insurgency.

Under the CHTDB over Taka 402 crore was spent for the execution of various development schemes since June 1990. Besides, a special five-year plan exclusively for the three districts of Chittagong Hill Tracts was undertaken in 1984-85 to gear up the development activities and the economy of Chittagong Hill Tracts while an amount of over Taka 280 crore was spent for the purpose.

The UNICEF in Bangladesh has drawn up various schemes in the regions to provide better community services to the people.

The schemes are installation of ring wells for water supply and slab latrines, development of educational facilities and creation of income generating projects for self-reliance.

The Asian Development Bank (ADB) has also undertaken a scheme at a cost of Taka 27 crore for rubber plantation with a view to rehabilitating 2000 tribal families in Khagrachhari district.

After the implementation of multi-sectoral projects during the last 16 years, the development infrastructure and the socio-economic conditions of the people in the hill tracts have improved considerably as the benefits have already started reaching them.

The amount spent for the development of 45 per cent population of the hill tracts is many time more than that of the amount spent for corresponding number of population in any other regions of the country.

The tribal people usually accustomed to living in scattered settlements in the hill, are now showing interest in living in clustered villages adjacent to the highway having facilities for education, sanitation, medicare, water supply and electricity, etc.

Side by side with the economic programme, the government is now contemplating to give political thrust for resolving the prevailing problems of the tribal people through negotiations. Within the framework of the Constitution of Bangladesh, the Government opened dialogue with the leaders of the Shantibahini.

The dialogues could not achieve the desired goal due to confusion and unrealistic stands of the leaders of Shantibahini. But the dialogue did not stop.

### Zia: Need for Solution

92AS1149C Dhaka THE NEW NATION in English  
14 May 92 pp 1, 8

[Text] Prime Minister Begum Khaleda Zia yesterday emphasised the need for finding a political solution to the problems of the Chittagong Hill Tracts through peaceful discussions and dialogues, reports BSS.

She said "I think, it is possible to find a political solution only through the constitution and constitutional framework of the country."

Addressing a function on the occasion of the opening of Khagrachhari Local Government Parishad Bhabah here, the Prime Minister said the present democratic government is prepared to discuss the existing situation at any time with an open mind. Solution can be reached only through peaceful means, she said.

The Prime Minister, however, said that the government shall not bow down to terrorism and terrorist activists.

She said the present elected government believes in the balanced development of the entire country and so has adopted specific policies towards that end. She said, the government has, from this point of view, given priority to the development of Chittagong Hill Districts which certainly constitute geographically an integral part of the Bangladesh.

Begum Khaleda Zia said the people of this area are in no way isolated from the people of the whole country, even from the point of view of nationalist consciousness.

She said "we are all Bangladeshis and Bangladesh consists of all regions."

Begum Zia said the present democratic government has given priority to the integrated development of the Chittagong Hill Tracts. She said while during the autocratic regime, the Local Government was entrusted with the responsibilities for three subjects, Education, Health and Agriculture. The present government has, during the last seven months, allocated seven more subjects to it. These are Industry and Commerce which include development of small and cottage industries, Cooperative, Fisheries, Livestock, Social Welfare and Public Health and preservation of unclassified forests. She said more subjects will be handed over to the Parishad. Additional

budget has been allocated for the development of the region and it will further be increased in the coming days.

The Prime Minister said the government wanted to further strengthen and consolidate the Local Government. The election of the Local Government Parishad will be held in due course and the Election Commission will soon announce its decision by ascertaining the opinion of the people of this region.

Referring to survey of the land cadastral, she said the work of the survey will be undertaken during the next dry season of November next.

She referred to the initiative of Shaheed President Ziaur Rahman 17 years ago when he had given priority to the overall development of this region in response to an important memorandum given to him on behalf of tribal leaders during his visit to Hill Districts of Chittagong.

The present government has been carrying on the legacy of Shaheed President Ziaur Rahman and making endeavours to solve time can be solved overnight, she said.

She called for cooperation of all and emphasised the need for peace, amity and tolerance so that all of us can together set up a unique example for progress and development of the region.

The Prime Minister said precondition for development and prosperity is peace and stability. Animosities and clashes can never bring welfare. On the other hand, unity and amity among all communities can help in building an edifice of durable peace, she said.

The Prime Minister called upon all to work unitedly in their own interest and also for development and prosperity of the region as well as the country without being lured by the provocation of the misguided.

She called upon those misguided elements not to fritter away their energy in terrorism and anarchy and instead devote themselves to the cause of the people as well as the country.

The Prime Minister said illegal and destructive activities can never solve any problem nor can they bring welfare to the people.

The Chairmen of the Local Government Parishads of three Hill Districts, Samiran Dewan of Khagrachhari Parishad, Gautam Dewan of Rangamati and Sa Ching Prue Jerry of Bandarban also spoke on the occasion.

Mr. Samiran Dewan said the establishment of the Zila Parishad Bhaban would contribute to the people's endeavour for the development of the region.

Mr. Gautam Dewan said the Local Parishad of the Hill district was tier of democracy.

Mr. Sa Ching Prue said the people of the region wanted to go forward in ensuring stability of society.

LGRD [Local Government and Rural Development] and Cooperatives Minister Salam Talukdar, Home Minister Abdul Matin, Chief of Army Staff Lt. Gen. Muhammad Nooruddin Khan and Local Area Commander Maj. Gen. Mahmudul Hasan were present.

**Panel Formed To Restore Peace to Chittagong**  
*92AS1125A Dhaka THE BANGLADESH OBSERVER*  
*in English 27 May 92 pp 1, 10*

[Text] Chittagong, 26 May—A committee for reclamation of communal harmony has been set up at Rangamati town on Monday with a view to inculcating fraternity among all races and tribes in Chittagong Hill Tracts.

The Chakma tribe chief Raja Debashis Roy took the initiative to set up this all races committee to renew good relations among all for harmonious living in the placid hill tracts.

Among other initiators are the local BNP [Bangladesh Nationalist Party] leader Nazim Uddin, Awami League leader Charu Bikash Chama, Jatiyo Party leader Mohammad Shahjahan, former Presidential Advisers Subimol Dewan and Binoy Kumar Dewan, Juba Union leader Abul Khair Majumdar, Pahari Chhatra Parsihad leader Prasad Bikash Khisha, Shaktiman Chakma, Pratim Roy Pampoo and Tiraj Chakma and local administration officials. All of them resolved to work together to see the hilly people from all races live in peace and tranquility.

The Committee for reclamation of social harmony made a passionate appeal to all hilly people irrespective of cast, creed and races to bury differences to help restore normalcy and peace in Chittagong Hill Tracts. They also condemned all brutal acts in Chittagong Hill tracts.

Later Chakma tribe chief Raja Debashis Roy at a Press conference declared that he would try his best to restore communal harmony among the dwellers in Rangamati town. He said "I would work shoulder to shoulder with other leaders." He sought cooperation from all to heal communal wounds and to cement fraternity among all town dwellers.

Meanwhile, the Rangamati Deputy Commissioner Aftab Uddin Ahmed held several rounds of meetings with cross section of people to infuse confidence of people in the administration. He called upon the town dwellers not to pay heed to any rumours spread by the vested quarters.

Section 144 continued to remain inforce at Rangamati town for the consecutive seventh day following 20 May's trouble. But the situation there is now under control.

**Plot To Foil BCCI Reopening Alleged***92AS1157A Dhaka THE NEW NATION in English  
5 May 92 pp 1, 8*

[Text] Influential members of a political party ousted from power, together with corrupt officials who plundered the country during the past nine years of autocratic rule, were allegedly involved in a sinister move foil the reopening of the Bank of Credit and Commerce International (BCCI) in any form. The pre-planned destructive attitude of these big shots already caused immense suffering to the innocent depositors of the country. They were reportedly dabbling in a clandestine way to remove secret papers, files and classified documents of the bank since its closure mid last year.

Meanwhile, depositors of BCCI could not be paid back their money unless the loans taken by the certain companies are refunded, said one of the insiders of the bank. The sources also said that it would be very difficult to realise the loans from the borrowers. Loans against some borrowers are outstanding as of December 1990, hardly six months ahead of its closure.

The motive behind such a move was an alleged bid to avoid repayment of loans taken from the bank in the names of different projects and industries. Valuable papers were destroyed so that all documents of their unauthorised transactions were blotted out beyond recognition.

Sources said since the closure of BCCI worldwide on July 6 last year, the fate of its operation in Bangladesh remained anybody's guess. Alternate rumours of liquidation and revival of the bank have held thousands of depositors between hope and despondency in the country. Should the bank go for liquidation, it would create resentment amongst the depositors, thus bringing political pressure and embarrassment for the Government. In the same breath, it could also slow down economic activities in the country due to loss of investible savings to the tune of hundreds of crores of taka. In the event of the revival of the bank, none will really come forward with enough cash for refund to the depositors as well as running capital for the bank. The golden mean of the two, pumping of money by the bank's owner, the Sheikh of Abu Dhabi, was also not in the offing.

Recently, authorities concerned decided to set up a new bank with the capital of BCCI for serving the depositors and other clients who have been suffering and spending their days in agony. All formalities for setting up the bank are now complete and it will start operating from July next, it is learnt. Authorities concerned and shareholders of the new bank with the capital of the now defunct BCCI are passing days meeting among themselves.

While all eyes are now turned to the developments in BCCI, clandestine activities of big borrowers and corrupt officials continue to block opening of the bank in

any name for reasons best known to them. The borrowers whose huge amount of loans are lying outstanding since the closure of the bank do not seem interested in repaying their loans with interest. Since the closure of the bank, these borrowers, allegedly manipulated quarters concerned to skip off paying loan instalments. These quarters also did not issue any order regarding payment of instalments advising the borrowers either to deposit the instalments with the Bangladesh Bank or any other bank. Sources in the commercial district alleged that this inaction on the part of the authorities underscores the fact that the parties involved in irregularities, are trying to work against the reopening of BCCI including political cronies and the authorities concerned.

The sources alleged that not only the associates and cabinet cronies of ousted Ershad, but also a privileged section of the bureaucracy and business community had secret understanding as the whole game was on. These gentlemen who had been involved in secret transactions through BCCI are now allegedly conspiring against opening the bank in their own interest.

The sources further revealed there was a provision in the BCCI to buy cash dollars direct from the market and transfer them outside the country. It was the only bank which was authorised to carry on such illicit transactions. The BCCI bought the dollars from open markets and sent them to London market through chartered plane. Sources said black moneyed-men who bought the dollars and sent the same were allegedly involved in the move for hiding their controversial sources of income. The whole game went on with the support of bank officials concerned.

Incidentally, when contacted, a senior functionary of the now defunct BCCI told the New Nation that they knew nothing about any sinister move against reopening or floating a new bank. He also denied their involvement in it.

A senior official of Bangladesh Bank said it tried its best to float a new bank. "There is no conspiracy against reopening of BCCI or floating a new bank with the BCCI money", he added. The bank would operate in July next, he hoped.

**Communist Party General Secretary Meets Press***92AS1146A Dhaka THE BANGLADESH OBSERVER  
in English 17 May 92 pp 1, 10*

[Text] Communist Party of Bangladesh (CPB) Saturday announced a week-long "Demand Week" from May 24 to press the Government for resolving various socio-economic and political problems facing the country, reports UNB.

It will hold demonstrations at district and upazila headquarters on May 31 and a central rally in the capital on June 2 as part of the programme, CPB General Secretary Nurul Islam Nahid told a new conference at the party office.

The demands include halting price-hike of essential commodities, terrorism, corruption, removing unemployment, pro-people national budget, ensuring fair prices of agricultural produces and saving jute and textile industries.

The party is also demanding end of communal harassment, political solution to the Chittagong Hill Tracts problem and all bilateral problems with India, pursuance of democratic norms and holding trial of Golam Azam.

CPB President Saifuddin Ahmed Manik, party's parliamentary group leader Shamsuddoha MP and Mujahidul Islam Selim were among others present at the press conference.

In his written statement, Nahid said inefficiency in different tiers of the present government, delay in decision-making, politicising the administration, tendency to turn the parliament ineffective, and concentration of power on a single individual deepened the crisis.

The CPB General Secretary said although the BNP [Bangladesh Nationalist Party] government came to power after a mass anti-autocracy upsurge, it relies on the dictates of donor countries and agencies, including World Bank and IMF following the old policy.

The government has virtually failed to initiate specific policies to deal with the basic problems in the socio-economic fronts.

Criticising the economic policy, he said that despite its "free market economy" the government has no programme for removing unemployment. A famine-like situation exists in the rural areas because of the absence of Food for Works Programme, he added.

Nahid said the Government also failed in diplomacy to resolve the bilateral issues with India and the refugee problem with Myanmar.

He said silent exodus of minority groups and staging incidents like "Logang Tragedy" in the Chittagong Hill Tracts tarnished the national image and affected the national solidarity.

Referring to the Golam Azam issue, the CPB leader said the BNP government's political weakness had encouraged the anti-liberation elements. In support of his contention, he mentioned foreign citizen Golam Azam's assumption of the post of Ameer of Jamaat by ignoring the constitution as well as unleashing terror all over the country.

The CPB called for unitedly resisting what it called evil moves by anti-liberation and reactionary forces against the nation.

## Court Action Against Ershad Continues

### Permission To Appeal

92AS1153A Dhaka THE BANGLADESH OBSERVER  
in English 1 May 92 p 1

[Text] The Appellate Division of the Supreme Court Thursday granted former President H.M. Ershad's petition seeking leave to appeal against the judgement of the High Court Division which declared the detention order against him as valid, reports BSS.

Barrister Rafiq-Ul-Huq, the counsel of Mr. Ershad, argued that the High Court Division had committed illegality in upholding the order of detention against H.M. Ershad.

Mr. Huq submitted that the High Court Division did not discharge its responsibility, as provided in Article 102 of the Constitution. He further said that the High Court Division had acted illegally in holding that once an order of detention passed by the President cannot be challenged in the court of law.

On behalf of the Government, Attorney General Aminul Huq argued that whatever observation may contain in the judgement of the High Court Division it would not invalidate the detention of the detinee [as published] since it was based on cogent grounds, he added.

After hearing both the parties, the Appellate Division comprising Mr. Justice Mohammad Habibur Rahman, Mr. Justice A.T.M. Afzal and Mr. Justice Latifur Rahman granted Ershad's petition seeking leave to appeal.

Mr. H.M. Ershad had filed petition seeking leave to appeal before the Appellate Division against the verdict of the High Court Division.

Earlier, two of three judges of the High Court Division Mr. Justice Anwarul Huq Chowdhury and Mr. Justice Kazi Shafiuddin, had declared the order detaining former President H.M. Ershad as valid. But dissenting view was given by Mr. Justice Mohammad Abdul Jalil who held that the order of detention as illegal.

### Janata Tower Case

92AS1153B Dhaka THE NEW NATION in English  
5 May 92 pp 1, 8

[Text] Former President H.M. Ershad in a special court yesterday was charged with abusing his official position to obtain pecuniary benefit worth about Taka 5.5 crore either for himself, his wife or others and also charged with possessing Taka 6.5 crore, the amount being beyond his known source of income as public servant, reports BSS.

Special Judge Md Ismail Miah, while reading out the charges, said Mr. Ershad in collusion with Mr. M.M. Rahmatullah, former chairman of Rajuk, abused their

position as public servants to take pecuniary advantage for themselves and 18 others including Raushan Ershad.

Detailing the abuse of power, the charge said, Mr. Ershad dishonestly and fraudulently and with malafide intention and in order to obtain pecuniary advantage for himself and others passed orders illegally to allot 2.1 bighas of land in favour of 13 applicants causing a loss of Taka 5,48,70,900 to Rajuk. Later Mr. Rahmatullah dishonestly and fraudulently and in collusion with the applicants allotted the aforesaid lands in four groups dividing the total land into four plots.

One of these plots—numbering 49 and measuring 12 katha—was allotted to one Shahinoor Islam and two others and was later illegally transferred to Janata Publishers Ltd., of which Raushan Ershad is the Chairman. Rahmatullah, the charge said, wilfully, dishonestly and fraudulently and in collusion with the directors of Janata (including Raushan Ershad and four others) and with malafide intention relaxing/violating lease agreement accorded permission for the illegal transfer of plot No. 49 in favour of Janata Publishers Ltd.

The judge said by abusing their official positions as public servants, Mr. Ershad and Mr. Rahmatullah had committed offence of misconduct as defined under Section 5(1)(D) of the Prevention of Corruption Act of 1947 (Act II of 1947) which is punishable under Section 5(2) of the said Prevention of Corruption Act of 1947 and within cognizance of this court.

About the second charge against Mr. Ershad, the judge said after getting the plot transferred in the name of Janata Publishers Ltd., a multistoried building was constructed on that plot at the instance of the former President who also paid Taka 10 crore to the construction firm. Of the Taka ten crore, Taka 3.5 crore was a loan from Uttara Bank arranged by Ershad and the balance sum of Taka 6.5 crore was paid by him which amount, the charge said, was found to be in possession of Ershad and his dependent co-accused Raushan Ershad.

The charge said possession of such an amount of money was disproportionate to Ershad's known source of income as public servant and by that he had committed offence as defined under Section 5(1)(3) of the Prevention of Corruption Act of 1947 (Act II and III) punishable under Section 5(2) of the Act II of 1947 which is within the cognizance of the court.

Begum Raushan Ershad and seventeen others, including a former Minister and 13 applicants for allotment of plots, were charged with abetment in the land deal to obtain pecuniary advantage (amounting to Taka 5,48,70,900) and thus committed offence punishable under Section 109 of penal code and Section 5(2) of the Prevention of Corruption Act 1947 (Act II of 1947) and within the cognizance of the court.

Of the 20 accused, 15 were present during the charge-framing. Three accused persons remained absconding for quite a long time. Former Minister M.A. Sattar was

absent because of sickness and Shahinoor was also absent because he was appearing at examination, the court was told.

Ershad and Raushan Ershad, who sat side by side in the court, did not respond when the chair asked their comments on the charges. However, their lawyers pleaded innocence of their clients.

This is the first case in which Raushan has been charged with her husband.

The judge fixed May 25 for the trial to start.

Attorney General Aminul Haq was assisted by Mr. Hasan Arif, Deputy Attorney General and Farid Ahmed and M. Masud Ahmed Talukder, both Assistant Public Prosecutors.

Mr. M. Malek, Yusuf Hossain Humayun, Khan Saifur Rahman, Sharfuddin Khan Mukul, Sudhir Kumar Hajra and Rezaul Karim were among the defence lawyers present on the occasion.

#### Radar Purchase Case

92AS1153C Dhaka THE NEW NATION in English 5 May 92 p 1

[Text] The Bureau of anti-Corruption yesterday filed a case against former President Ershad for allegedly grabbing over Tk [takas] 63 crore 4 lakh 42 thousand.

The autocrat ousted President reportedly grabbed the money during his tenure specially between 1983 and 1990 while buying radars for Bangladesh Biman. It is learnt that the radars were bought from a U.S. company during the period.

#### Purchase From Japan

92AS1153D Dhaka THE BANGLADESH OBSERVER in English 14 May 92 p 1

[Text] The Bureau of Anti-corruption has filed a case against former President Hussain Muhammad Ershad for his involvement in the purchase of water vessels from Japan ignoring the lowest bidder and thereby causing loss of Taka 33 crore to the government, a government handout said on Wednesday, reports BSS.

The Japan government had extended a grant to Bangladesh to procure 520 vessels following the catastrophic floods of 1988 for carrying out relief operation.

The former President did not approve the specification prepared by the Relief Ministry and ordered the purchase of the vessels only from Japanese firms on an emergency basis through limited quotations under a specification prepared by Yamaha and Yanmar Company.

Mr. Ershad also ordered the relevant quarters to accept the quotations of Messrs. Marubini Corporation although its quotations were faulty and the price of a vessel quoted was more than double of the lowest bidder.

This was done in collaboration with Mr. K. Inoyamar, the General Manager of the Marubini Corporation, and the former President derived illegal financial benefits for himself or for others and in the process the government suffered a loss of Taka 33 crore, the handout said.

The Bureau of Anti-corruption submitted the charge sheet against the former President with the Ramna police.

#### Details on Janata Tower

92AS1153E Dhaka THE BANGLADESH OBSERVER  
in English 28 May 92 pp 1, 10

[Excerpt] A prosecution witness told the special court that he received Tk [takas] 10 crore for construction of Janata Tower at Kaoran Bazar from former President Ershad and Begum Ershad who were prosecuted under the prevention of Anti-Corruption Act, 1947, reports UNB.

The witness, Kamal Ziaul Islam, Managing Director of Nirman International, during examination by Attorney General Aminul Haq said his construction firm received Tk 3.5 crore in four cheques issued by Begum Rawshan Ershad, chairman of Janata Publishers.

Of the remaining amount the prosecution witness said Tk 75 lakh in cash was received in three instalments from Col. Sharif Aziz by the end of 1989. He and his two Directors of Nirman International—Khadiza Islam and Shawkat Hossain Chowdhury—collected Tk 5.75 crore in cash on different dates from Lt. Col. Saiful Haq private secretary to President Ershad, from his office at the President's Secretariat.

The former president was accused of two charges 1) illegal order for allotment of RAJUK land to some co-accused and soon got the land transferred to Janata Publishers, thus inflicting a loss of Tk 5.5 crore to RAJUK, and 2) paid Tk 6.5 crore from his own possession for construction of Janata Tower which is beyond known sources of his income.

Ershad, Rawshan Ershad and most of their 18 co-accused in the case appeared before the court when the trial began.

Replying to prosecution queries, K.Z. Islam said officials of his construction firm were contacted by Major (Rtd) Saleh Rahim of Janata Publishers for construction of the Janata Tower at Kaoran Bazar. The agreement was signed between Chairman of Janata Publishers Rawshan Ershad and Director of Nirman International for construction of 15-storied building at Tk 13,59,42,140.

The prosecution witness said the payment in cheques was received through Lt. Col. Saiful Haq, Private Secretary to President Ershad. He identified a forwarding letter with cheque signed by Col. Saif.

The money paid in cheques (Tk 3.5 crore) was borrowed from Uttara bank.

KZ Islam identified Cheques, money receipts, credit vouchers, cash books and such other documents produced in the court by the prosecution relating to financial transactions with Janata Publishers.

The prosecution also produced in the court a photostat copy of magazine The Mirror of 1956 published from Karachi in which post-marriage photograph of Ershad and his wife was printed.

There Rawshan Ershad was named as Khurshida.

Production of the paper evoked objection from defence counsels who in a chorus observed it has no relevance with the case.

The production of the paper ostensibly to show that Rawshan Ershad conveniently took different names at different times.

Earlier, the defence made repeated attempts to stall examining today the prosecution witness. Ultimately a petition was submitted seeking transfer of the case from the special court of Mohammad Ismail Mia. The Judge rejected it outright.

Failing in their bid defence counsel Advocate Humayun walked out of the court as mark of protest. His manner and action were described as indecent by the Attorney General.

Judge Mohammad Ismail Mia assured Ershad that no harm will be done to him when he (Ershad) pointed out of his defencelessness following walking out of the two of his counsels.

However, chief defence counsel Khandakar Mahbub Hossain soon appeared in the court. [passage omitted]

#### Former Minister Charged in Sugar Deal

92AS1152A Dhaka THE NEW NATION in English  
11 May 92 p 1

[Text] Former Prime Minister Kazi Zafar Ahmed was chargesheeted yesterday for illegal acceptance of higher rate for importing 20,000 tons of sugar through the Trading Corporation of Bangladesh [TCB], reports UNB.

Mohammad Ali Khan, Divisional Special Judge, Dhaka, framed charges against Kazi Zafar, who, while in charge of the Commerce Ministry, had ordered purchase of sugar at higher rates inflicting on the government a loss of about Tk [takas] 72 lakh.

According to the charge, TCB invited quotation from the bidders for the import of 20,000 tons of sugar. The lowest rate quoted was 199.50 US dollar.

But Zafar ordered the tender to be awarded to Amin Associates which quoted 203 US dollar.

Aminul Huque Managing Director of the company, has also been chargesheeted.



**Prime Minister Speaks at Seminar on Economy**  
92AS1150A Dhaka THE NEW NATION in English  
11 May 92 pp 1, 8

[Text] Prime Minister Begum Khaleda Zia has said that her government is rapidly building necessary infrastructure to link country's economy with global trend of free market economy.

She said, "side by, we are striving to enforce stringent discipline in the financial sector. Our avowed policy is discipline and accountability in all sectors."

She was inaugurating a two-day national seminar on "Police options for economic break-through," jointly organised by Jatiya Press Club and Metropolitan Chamber of Commerce and Industry (MCCI) at Hotel Sonargaon here yesterday.

Finance Minister M. Saifur Rahman addressed the inaugural function as the special guest. MCCI President M. Murshed Khan, Press Club president Mozammel Huq and General Secretary Shaukat Mahmood also addressed the function which was attended by ministers, parliament members, diplomats, high officials, journalists and politicians.

Begum Zia said, "We are nourishing a development-oriented economic culture striking at the root of pervert culture propped up by autocracy. "The corner stone of democracy is the flourishing of private entrepreneurship and the state is now playing a complementary role. It aims at restoring people's trust and confidence in the private sector," she said.

Referring to the success of these measures, Begum Zia said the government has been able to mobilise 24 per cent domestic resources in the annual development programme within the period of less than a year which was commended both at home and abroad. She said we are optimistic this trend will continue to gather momentum in the years to come as per our commitment for attaining national autarky.

She said, "We have been able to generate a new momentum and awareness in the fields of expansion of education, health care, family planning and women development.

The Prime Minister pointed out that different donor countries and agencies have pledged increased aid flow to support government's programmes for its on-going democratic process.

She said her government identified three main objectives for national development in the light of existing socio-economic realities. These are accelerated growth of national income, poverty alleviation and creation of employment opportunities through human resources development and self reliance. Describing these objectives as inter-related, she said, "our struggle now is directed against poverty."

Referring to her daal-bhaat approach, which means giving purchasing power to the poor, she said through this we can turn millions of our poverty-stricken people into efficient productive work force.

She said besides stressing importance on agriculture, the Government has taken a programme for rapid industrialisation for which it formulated a liberal industrial investment and industrial policy. "We want to give particular emphasis on export-oriented industries for our survival. In this connection, she referred to giving added incentives to foreign private investment in Bangladesh.

Begum Zia said her government wants to establish a proper linkage between wages and labour productivity to build a congenial atmosphere in mills and factories for good labour-management relations. In this context, she said since 1969 labour productivity has diminished by a staggering 30 per cent whereas during the period two of our neighbouring countries have registered increases of 54 per cent and 163 per cent of labour productivity respectively. She said "We must seriously emulate their examples."

About communication, the Prime Minister said the present government has accorded priority to the development of communication for ensuring balanced uplift of all regions. "Construction of Jamuna bridge is our election commitment," she added.

Referring to the power sector, she said we are relentlessly working for the development of power and energy sector to meet the demands for industrialisation and modernisation of agriculture. In this connection, Begum Zia said the government is contemplating to formulate an appropriate and realistic energy policy keeping in mind the interest of private sector.

The government is evolving effective measures for reducing system loss and for combatting load-shedding, she said, adding that the government wants to streamline power distribution for uninterrupted production.

Stressing on the importance of national consensus for development, she said, "in the interests of the country and the nation and particularly for the interest of democracy we should all come forward by remaining above petty party and individual interests. Let us build a happy, prosperous and self-reliant Bangladesh," she added.

Begum Zia said active support and participation of the people and their toil, talent and patriotism are the beacon in the government's current endeavour for clearing the legacies of unbridled corruption, indiscipline and mismanagement by the autocratic rule.

Accelerating the pace of national development is today's biggest challenge, she said adding that free and open-hearted discussions of various opinion groups and segments of the society are the sine qua non for successfully meeting this challenge.



Recalling the glorious armed struggle for independence, Begum Zia said, "We did not fight merely for a separate landmass or merely a flag... The prime objective was to achieve economic emancipation along-side political independence."

She said her government is aimed at attaining economic democracy as enunciated in the Constitution as well as the historic 19-point charter of late President Ziaur Rahman.

She wished success of the seminar and hoped that its recommendations would provide new food for thought and new input for policy formulations for national development.

The Finance Minister stressed the need for improving both the market and state saying "neither of the two are perfect in Bangladesh."

Criticising the nationalisation policy of the post-independence government, he said the country was yet to get rid of the legacies of 1972.

About the topic of the seminar, the Finance Minister said the BNP [Bangladesh Nationalist Party] government had clearly stated its economic policy in the election manifesto, "The controversy is with the implementation and not with the options of the economic policy," he added.

Morshed Khan described conditions in the existing power sector as alarming and disgraceful and expressed the hope that the government would finalise a long-term energy policy in consultation with the trade and industry.

Mozammel Hoq hoped that the seminar would give guidance on how "we can come out from the economic depression that we have suffered for nearly a decade."

"Let a solid economic policy resulting from this seminar supersede the empty slogans, high-flown words and extravagant talks that dominate our political life today," he observed.

#### **Country's Debt at \$11.5 Billion as of Jun 91**

*BK2406131792 Dhaka THE BANGLADESH  
OBSERVER in English 19 Jun 92 p 1*

[Text] The total debt of Bangladesh till June 30, 1991 stood at U.S. dollar 11560.6 million, according to Bangladesh Economic Survey released by the Finance Ministry in Dhaka Thursday [18 June], reports BSS.

Of this amount, the survey showed, the medium and long term loans account for US dollar 10690.7 million which is 92.5 per cent of the total debt.

Repayment of the short term loan by Bangladesh during the period 1991-92 including the loan of the IMF is US dollar 209.7 million of which interest represented 55.5 million dollars while the principal was 154.2 million dollars.

It is expected that repayment of the medium and long term loans during the same period would come to about US dollar 350.5 million.

Of this amount, the survey says, dollar 134.4 million is expected to be the interest while dollars 216.1 million principal.

The total repayment of the foreign loans during the 1991-92 is dollar 560.2 million which was 599.6 million in 1990-91.

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